



Case in Point

A powerpoint summary of
types of cases as presented
by Marc P. Cosentino (4th ed.)

By: Helen Lee

For the Caltech Consulting Club

[The Case Commandments]

- 1. Listen to the Question
- 2. Take Notes
- 3. Summarize the question
- 4. Verify the objective(s)
- 5. Ask clarifying questions
- 6. Organize your answer
- 7. Hold that thought for “one alligator” – think before you speak
- 8. Manage your time
- 9. Work the numbers
- 10. Be coachable
- 11. Be creative and brainstorm
- 12. Exude enthusiasm and a positive attitude
- 13. Bring closure and summarize

[Types of Case Questions]

- Brainteasers
- Back-of-the-Envelope (estimation questions)
- Business Case Questions (our focus in this ppt.)
 - Number cases
 - Business strategy
 - Operations

[The Ivy Case System]

- 4 initial steps
- 12 popular case scenarios

[The First 4 steps]

- 1. Summarize the question
- 2. Verify the objective
- 3. Ask clarifying questions
- 4. Lay out your structure

[The Twelve Case Scenarios]

- Strategy Case
 - Entering a new market
 - Industry Analysis
 - Mergers and Acquisitions
 - Developing a new product
 - Pricing Strategies
 - Growth Strategies
 - Starting a new business
 - Competitive response
- Operations Case
 - Increasing sales
 - Reducing costs
 - Improving the bottom line
 - Turnarounds

Entering a New Market

- 1. Determine why? What's our objective/goal? Does it fit into our overall strategy?
- 2. Determine the state of the current and future market
- 3. Investigate the market to determine whether entering it would make good business sense
- 4. If we decide to enter, we need to figure out the best way to become a player (Cost-benefit analysis)
 - Start from scratch
 - Acquisition
 - Joint venture/strategic alliance

Industry Analysis

- 1. Investigate the industry overall
 - Life cycle
 - Performance
 - Client's position w/in industry
 - Major players and market share
 - Industry changes
 - drivers
- 2. Suppliers & product availability
- 3. Future outlook
 - Mergers, acquisitions
 - Barriers to entry

Mergers and Acquisitions

- 1. determine goals and objectives
- 2. How much are they paying
- 3. Due diligence (research the company and the industry)
- 4. exit strategies

Developing a New Product

- 1. Think about the product
 - Special? Patented? Substitutions?
- 2. Think about market strategy
 - Replacing existing product? Expand sales or customer base?
 - Barriers to entering market
 - Major players
- 3. Think about customers
 - Who are they and how can we best reach them
- 4. Think about financing

[Pricing Strategies]

- 1. Investigate the product
- 2. Choose a pricing strategy
 - Cost-based pricing
 - Price-based costing
 - Competitive analysis
- 3. Supply and demand

Growth Strategies

- 1. Ask feeler questions. Growth could mean focusing on a certain product, division, or company overall. Determine direction of questioning.
- 2. Choose a growth strategy based on situation and explain why.
 - Increase distribution
 - Increase product line
 - Diversify
 - Etc.

[Starting a new Business]

- 1. Investigate the market
- 2. Worth investing in?
 - Management
 - Market & Strategic Plan
 - Distribution Channels
 - Products
 - Customers
 - Finance

[Competitive Response]

- 1. analyze competitors' actions
- 2. choose one of the following response actions:
 - Acquire the competitor
 - Merge with competitor
 - Copy competitor
 - Hire competitor's management
 - Increase our own profile with P.R. campaign

[Increasing Sales]

- 1. Increasing sales doesn't always mean increasing profits. Find underlying reason to increase sales
- Four ways to increase sales:
 - Increase volume
 - Increase amount of each sale
 - Increase prices
 - Create seasonal balance

[Reducing Costs]

- Type A:
 - 1. ask for breakdown of costs
 - 2. investigate any abnormalities
 - 3. benchmark competitors
 - 4. determine any labor-saving technologies that help reduce costs
- Type B:
 - Internal costs: union wages, suppliers, materials, economics of scale, etc.
 - External costs: economy, interest rates, etc.

Increasing the bottom line: Profits

- $\text{Profits} = (\text{Revenues} - \text{Costs}) * \text{Volume}$
- Identify revenue streams
- Examine your costs
- Determine whether you want to pump up the volume

[Turnarounds]

- 1. gather information
 - Why is it failing?
 - Industry analysis
 - Tell me about the company
- 2. Choose appropriate action
 - Learn as much about the business as possible
 - Review services, products, and finances
 - Secure sufficient funding so your plan has a chance
 - Review talent and temperament of employees, get rid of deadwood
 - Determine goals (short and long term)
 - Business plan
 - Visit clients, suppliers, distributors and reassure them
 - Prioritize goals and get some small success.

Caltech Consulting Club

- Practice cases offered to members of the Caltech community
- <http://consulting.caltech.edu/>
- For general announcements, join the mailing list

[The End

]